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February 14, 2007

MINNESOTA BULLETIN NO. 300-7-12

SUBJECT: LTP – CONSERVATION PROGRAM CONTRACTS (CPCs) – CANCELING AND
TERMINATING CONTRACTS

Purpose. To provide Minnesota process on canceling or terminating CPCs.

Expiration Date. September 30, 2007

This bulletin clarifies the process and procedures all offices should use to cancel or terminate CPCs for NRCS programs. This includes contracts for Environmental Quality Incentive Program (EQIP) and Wildlife Habitat Incentive Program (WHIP).

Canceled or terminated CPC contracts may be subject to refund of cost share and/or liquidated damages. Each program has differing policies regarding refunds and cost-recovery. For EQIP the cost-recovery also varies by the program year and appendix.

While Designated Conservationists (DC) are authorized to cancel a CPC, only the State Conservationist can waive the cost recovery provisions. This waiver must be based on the participant's good faith effort to comply with the contract and/or hardship preventing the participant from complying with the contract.

In FY 2007 NRCS National Headquarters will be performing a contract clean-up effort for all program contracts. This is an effort to de-obligate fund balances from contracts that are complete but still have a balance and those that need to be cancelled or terminated. Follow the attached Minnesota Cost Recovery Process for Conservation Program Contracts to process cancellations and terminations.

Worksheet 1 has been revised to make it program neutral, to add the participant's address, and to allow the DC to indicate if NRCS employee error or NRCS inattention contributed to the cancellation. This worksheet must be used for all future cancellations and terminations. Previous versions of Worksheet 1 should not be used. Requests for cancellation must be accompanied by the participant's written request. Participants may use the attached 'Request to cancel a conservation program contract' as a guide to making their request.



Also attached is the sample waiver letter the state office will now be sending directly to the participant with a courtesy copy to the DC when waivers are granted.

Questions should be directed to your ASTC (FO) or from the area level to Myron L. Taylor, State Program Specialist.

/s/

WILLIAM HUNT
State Conservationist

Attachments (4)

DIST: AC
DC
APS
ARC
Tim Koehler, ASTC (FB)
Paul Flynn, State Resource Conservationist
Bryan Welp, Budget Officer
Sid Cornelius, Resource Conservationist
Myron Taylor, Program Specialist
Mark Oja, Biologist